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California Corporations Commissioner
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Attorneys for Complainant

BEFORE THE DEPARTMENT OF CORPORATIONS
OF THE STATE OF CALIFORNIA

In the Matter of the Accusation of THE)	File No.: 963-2347
CALIFORNIA CORPORATIONS)	
COMMISSIONER,)	ACCUSATION
)	
Complainant,)	
)	
vs.)	
)	
HIGGINS AND ARTHUR ESCROW)	
COMPANY,)	
)	
Respondent.)	

The Complainant is informed and believes and based upon such information and belief,
alleges and charges as follows:

I

Higgins and Arthur Escrow Company (“Respondent” or “Higgins”) is an escrow agent
licensed by the California Corporations Commissioner ("Commissioner" or "Complainant") pursuant
to the Escrow Law of the State of California (California Financial Code Section 17000 et seq.).

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II

Pursuant to Financial Code section 17406, all licensees under the Escrow Law are required to file an annual audit report containing audited financial statements (“audit report”) within one hundred and five (105) days after the close of their fiscal year. Respondent’s fiscal year end is November 30. Accordingly, Respondent was required to file its audit report on or before March 15, 2008.

On or about October 9, 2007, Complainant notified Respondent in writing that its audit report was due March 15, 2008. Respondent failed to file the audit report by March 15, 2008.

On or about March 26, 2008, a follow up letter was sent to Respondent concerning its failure to file the audit report. Respondent was notified in the letter that failure to file the audit report could result in assessment of penalties, a special examination and/or administrative action.

Notwithstanding two written notices, Respondent failed to file its audit report until on or about May 9, 2008 or fifty-three (53) days late.

III

Financial Code section 17602.5 provides in pertinent part as follows:

If any licensed escrow agent fails to make any reports required by law or by the commissioner within ten (10) days from the date designated for the making of the reports, or within any extension of time granted by the commissioner, . . . such failure shall constitute grounds for the suspension or revocation of the license held by such escrow agent.

Financial Code section 17608 provides in pertinent part:

The commissioner may, after notice and a reasonable opportunity to be heard, suspend or revoke any license if he finds that:

(b) The licensee has violated any provision of this division or any rule made by the commissioner under and within the authority of this division.

IV

Complainant finds that, by reason of the foregoing, Respondent has violated Financial Code section 17406, which constitutes grounds for the suspension of its escrow agent’s license.

1 WHEREFORE, IT IS PRAYED that the Respondent's escrow agent's license be suspended
2 for a period of one month for failure to timely file its required audit report.

3 Dated: May 16, 2008
4 Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

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6 By _____
7 Judy L. Hartley
8 Senior Corporations Counsel
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